



WASHINGTON STATE LIQUOR CONTROL BOARD

Notice of Rule Change Beer and Wine Price Postings

The Washington State Liquor Control Board has adopted changes to rules regarding beer and wine price postings. These rule changes will go into effect on October 23, 2004.

If you have any questions, please contact Heidi Ensign at 360-664-1641 (or e-mail at hec@liq.wa.gov).

Background

State law requires that suppliers post the prices of beer and wine sold to distributors, and that distributors post the prices of beer and wine sold to retailers. These prices are posted on a Web site administered by the LCB. Before this law change other suppliers and distributors could view the prices as soon as they were posted.

Agency-request legislation ESB 6737 passed during the 2004 session and took effect March 31, 2004. This revised law states that, because price postings are investigative documents, they are considered confidential information and are not subject to public disclosure until the prices become effective.

Effect of Rule Changes

The changes to WAC 314-20-100, 314-20-105, 314-24-190, and 314-24-200:

- Implement ESB 6737 by deleting references to price postings being open to inspection at all times.
- Take out redundancies with the guiding law (RCW 66.28.180).
- Combine the two wine posting rules into one rule and the two beer posting rules into one rule.
- Simplify language.

Pages 2 through 12 of this notice show how the rules will be revised through the use of strikethrough and underlining. Pages 13-15 show how the rules will look once they're in effect on October 23, 2004 (strikethrough and underling removed).

The following rule changes will go into effect on October 23, 2004.

AMENDATORY SECTION (Amending WSR 98-18-097, file 9/2/98, effective 10/3/98)

WAC 314-20-100 Beer supplier and distributor price postings.

~~((1) Every beer distributor shall file with the board at its office in Olympia a price posting showing the distributor prices at which any and all brands of beer sold by such beer distributor shall be sold to retailers within the state.))~~ RCW 66.28.180 requires beer distributors and suppliers to file price postings with the board.

(1) **Definitions--**For the purposes of this chapter:

(a) A "beer price posting" or "price posting" means a declaration of the price of beer sold from a supplier to a distributor or from a distributor to a retailer, in effect as filed with the liquor control board either electronically or hard-copy, under the provisions of RCW 66.28.180 and Title 314 WAC.

(b) A "beer supplier" means a microbrewery, domestic brewery, certificate of approval holder, beer importer, or a distributor selling beer to another distributor.

(2) Filing deadlines.

<u>(a) Beer supplier filing deadlines</u>	<u>(b) Beer distributor filing deadlines</u>
<u>All price postings, distributor appointments, written contracts, and memoranda of oral agreements must be received by the board not later than the twenty-fifth day of the month, and if approved will become effective on the first day of the second calendar month following the date of filing.</u>	((2)) All price postings must be received by the board not later than the tenth day of the month, and if approved will become effective on the first day of the calendar month following the date of ((such)) filing. ((An additional period, not to exceed five days will be allowed for revision of such posting to correct errors, omissions, or to meet competitive prices filed during the current posting period, but a revised posting must be on file at the board office by not later than the fifteenth day of the month in order to become effective on the

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	first day of the next calendar month: Provided, That the board may in individual cases, for good cause shown, extend the date on which the filings required by the rules are to be received by the board.))
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(c) The board will allow up to an additional five days for revisions of filings to correct errors and omissions filed during the current price posting period. The board may in individual cases, for good cause shown, extend the filing date.

(d) When ((any)) a price posting ((to be filed with the board under the provisions of this rule)) has been deposited in the United States mail addressed to the board, it ((shall)) will be ((deemed)) considered filed or received on the date shown by the United States post office cancellation mark on the envelope, ((containing it)) or on the date it was mailed if ((proof satisfactory)) it is established to the satisfaction of the board ((establishes)) that the actual mailing occurred on an earlier date.

(3) Filing date exceptions--~~Whenever ((the tenth day of the month))~~ a filing deadline falls on Saturday, Sunday, or a legal holiday, ((an original)) a price posting may be filed not later than ((the close of business)) midnight the next business day.

(4) No changes from previous month--~~((In the event that))~~ If a beer supplier or distributor ((determines to)) makes no changes in any items or prices listed in the last filed and approved ((schedule)) price posting, ((such)) the prices ((listed in the schedule previously filed and in effect, shall)) will remain in effect for each succeeding posting period until a revised ((or amended schedule)) price posting is filed and approved((, as provided herein)).

(5) ((Provision for filing of t))Temporary price reductions--~~((In the event))~~ If a beer supplier or distributor ((elects to)) files price postings that list((ing)) selected items on which prices are temporarily reduced for one posting period only, ((such filing shall be made on special forms provided for such purpose and)) these price postings must clearly reflect all items, the selling price ((thereof)), and the posting period for which the price reductions will be in effect. At the expiration of the posting period during

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which ~~((such))~~ the reductions were in effect~~((ive))~~, the special ~~((filing))~~ price posting will become void and the last regularly filed and effective price ~~((schedule shall))~~ posting will again become effective ~~((until subsequently amended pursuant to regular filing dates))~~.

~~((45) Each price posting shall be made on a form prepared and furnished by the board or a reasonable facsimile thereof, and shall set forth:~~

~~((a) All brands, types, packages and containers of beer offered for sale by such beer distributor.~~

~~((b) The wholesale prices thereof to retail licensees, including allowances, if any, for returned empty containers.~~

~~((6) No beer distributor shall sell or offer to sell any package or container of beer to any retail licensee at a price differing from the price for such package or container as shown in the price posting filed by the beer distributor and then in effect.~~

~~((7) Quantity discounts are prohibited. No price shall be posted which is below acquisition cost plus ten percent of acquisition cost.~~

~~((8) Wholesale prices on a "close-out" item shall be accepted by the board if the item to be discontinued has been listed on the state market for a period of at least six months, and upon the further condition that the distributor who posts such a close-out price shall not restock the item for a period of one year following the first effective date of such close-out price.~~

~~((9) If an existing written contract or memorandum of oral agreement between a licensed brewer, certificate of approval holder, beer importer or beer distributor and a beer distributor, on file in accordance with WAC 314-20-105, is terminated by either party, and a new written contract or memorandum of oral agreement is made by such a supplier with another beer distributor in the affected trade area, the board, after receiving such new contract or memorandum of oral agreement and a corresponding wholesale price posting from the newly-designated beer distributor, may put such filings into effect immediately: Provided, That prices and other conditions of such filings which are in effect at the time of such termination shall not be changed until subsequent filings are submitted to the board and become effective under regulatory procedures set forth in other subsections of this regulation and WAC 314-20-105.~~

The following rule changes will go into effect on October 23, 2004.

~~(10) The board may reject any price posting which it deems to be in violation of this or any other regulation or portion thereof which would tend to disrupt the orderly sale and distribution of beer. Whenever the board shall reject any posting the licensee submitting said posting may be heard by the board and shall have the burden of showing that said posting is not in violation of regulation and/or does not tend to disrupt the orderly sale and distribution of beer. Thereupon if said posting is accepted it shall become effective at the time fixed by the board. If said posting is rejected, the last effective posting shall remain in effect until such time as an amended posting is filed and approved, in accordance with the provisions of this regulation.~~

~~(11) All price postings filed as required by this regulation shall at all times be open to inspection to all trade buyers within the state of Washington and shall not within any sense be considered confidential.~~

~~(12) Any beer distributor or employee authorized by his distributor employer may sell beer at the distributor's posted prices to any authorized retail licensee upon presentation to such distributor or employee at the time of purchase of a special permit issued by the board to such licensee.~~

~~(a) Every Class authorized retail licensee upon purchasing any beer from a distributor, shall immediately cause such beer to be delivered to his licensed premises, and he shall not thereafter permit such beer to be disposed of in any manner except as authorized by his license.~~

~~(b) Beer sold as provided herein shall be delivered by such distributor or his authorized employee either to such retailer's licensed premises or directly to such retailer at the distributor's licensed premises: Provided, however, That a distributor's prices to retail licensees shall be the same at both such places of delivery.))~~

(6) **Distributor changes**--(a) The following guidelines apply when a beer supplier makes a distributor change outside of the regular distributor appointment timelines outlined in subsection (2) of this rule:

(i) The supplier must notify the board in writing that he/she wishes to change his/her current distributor and appoint a new distributor to be effective immediately.

The following rule changes will go into effect on October 23, 2004.

(ii) The new distributor must agree to take the currently posted prices of the old distributor until the new distributor is able to post his/her own prices during the next regular posting period.

(iii) If a beer supplier has a territory or brand agreement with a distributor and wants to change a distributor appointed to a certain brand(s) or territory(ies), the board may allow the new distributor to assume the prior distributor's price postings for the brand and/or territory in order to avoid disruption of the market.

(b) A beer supplier must notify the board if any of the contracts or agreements listed in this rule are revised or terminated by either party. The board may immediately authorize a price posting if a beer distributor assumes the wholesale price postings from the previously appointed distributor.

(c) Prices and other conditions of price postings in effect at the time of the distributor change may not be changed until subsequent filings are submitted to the board and become effective.

((~~(13)~~)) (7) **Price postings for new distributors**--When the board issues a new beer distributor(~~(13)~~) license (~~(is issued by the board)~~), the (~~(holder thereof)~~) licensee may file an initial price (~~(schedule)~~) posting and request that (~~(such)~~) the price posting be placed into effect immediately. The board may grant (~~(such)~~) this immediate approval(~~(, providing that such)~~) if the price posting is in compliance with this rule and with all other applicable (~~(regulatory requirements, and that contracts and memoranda are on file, in accordance with WAC 314-20-105)~~) laws and rules.

(8) **Accommodation sales**--The provisions of this rule do not apply, and filings are not required, when a beer distributor makes an accommodation sale to another beer distributor and this sale is made at a selling price that does not exceed the laid-in cost of the beer being sold. Accommodation sales may only be made when the distributor purchasing the beer is an appointed distributor of the supplier, when the distributor is an authorized purchaser of the brand and product being sold, and when the supplying distributor is appointed by the supplier.

AMENDATORY SECTION (Amending WSR 98-18-097, filed 9-2-98, effective 10/3/98)

The following rule changes will go into effect on October 23, 2004.

WAC 314-24-190 Wine supplier and distributor price postings.

~~((1) Every wine distributor shall file with the board at its office in Olympia a wine price posting, showing the wholesale prices at which any and all brands of wine offered for sale by such wine distributor shall be sold to retailers within the state.))~~ RCW 66.28.180 requires wine distributors and suppliers to file price postings with the board.

(1) **Definitions**--For the purposes of this chapter:

(a) A "wine price posting" or "price posting" means a declaration of the price of wine sold from a supplier to a distributor or from a distributor to a retailer, in effect as filed with the liquor control board either electronically or hard-copy, under the provisions of RCW 66.28.180 and Title 314 WAC.

(b) A "wine supplier" means a domestic winery, certificate of approval holder, wine importer, or a distributor selling wine to another distributor.

(2) Filing deadlines.

<u>(a) Wine supplier filing deadlines</u>	<u>(b) Wine distributor filing deadlines</u>
<u>All price postings, distributor appointments, written contracts, and memoranda of oral agreements must be received by the board not later than the twenty-fifth day of the month, and if approved will become effective on the first day of the second calendar month following the date of filing.</u>	((2)) All price postings must be received by the board not later than the tenth day of the month, and if approved will become effective on the first day of the calendar month following the date of ((such)) filing. ((An additional period, not to exceed five days will be allowed for revision of such posting to correct errors, omissions, or to meet competitive prices filed during the current posting period, but a revised posting must be on file at the board office by not later than the fifteenth day of the month in order to become effective on the first day of the next calendar month: Provided,

The following rule changes will go into effect on October 23, 2004.

	That the board may in individual cases, for good cause shown, extend the date on which the filings required by the rules are to be received by the board.))
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(c) The board will allow up to an additional five days for revisions of filings to correct errors and omissions filed during the current posting period. The board may in individual cases, for good cause shown, extend the filing date.

(d) When ((any)) a price posting ((to be filed with the board under the provisions of this rule)) has been deposited in the United States mail addressed to the board, it ((shall)) will be ((deemed)) considered filed or received on the date shown by the United States post office cancellation mark on the envelope ((containing it)), or on the date it was mailed if ((proof satisfactory)) it is established to the satisfaction of the board ((establishes)) that the actual mailing occurred on an earlier date.

(3) Filing date exception--~~Whenever ((the tenth day of any month))~~ a filing deadline falls on Saturday, Sunday, or a legal holiday, ((an original)) a price posting may be filed not later than the close of business the next business day.

(4) No changes from previous month--~~((In the event that a)) If a wine supplier or distributor ((determines to)) makes no changes in any items or prices listed in the last filed and approved ((schedule)) price posting, ((such)) the prices ((listed in the schedule previously filed and in effect, shall)) will remain in effect for each succeeding ((calendar month)) posting period until a revised ((or amended schedule)) price posting is filed and approved((, as provided herein)).~~

(5) ((Provision for filing of t)) **Temporary price reductions--** ((In the event)) If a wine supplier or distributor ((elects to)) files price postings that list((ing)) selected items on which prices are temporarily reduced for ((a period of)) one ((calendar month)) posting period only, ((such filing shall be made on special forms provided for such purpose and)) these price postings must clearly reflect all items, the selling price ((thereof)), and the ((month)) posting period for which the price reductions will be in effect. At the expiration of the ((month)) posting period during which ((such)) the reductions

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were in effect~~((ive))~~, the special ~~((filing))~~ price posting will become void and the last regularly filed and effective price ~~((schedule shall))~~ posting will again become effective ~~((until subsequently amended pursuant to regular filing dates))~~.

~~((5) Postings shall be submitted upon forms prescribed and furnished by the board, or a reasonable facsimile thereof, and shall set forth:~~

~~—— (a) All brands, types and sizes of packages or containers of wine offered for sale in this state by such wine distributor, which packages or containers shall be limited to the sizes permitted in WAC 314-24-080.~~

~~—— (b) The wholesale prices thereof within the state, which prices shall include the state wine tax plus surcharge of \$0.2192 cents per liter imposed under RCW 66.24.210 and 82.02.030.~~

~~—— (6) No wine distributor shall sell or offer for sale any package or container of wine at a price differing from the price of such item as shown in the price posting then in effect.~~

~~—— (7) Quantity discounts are prohibited. No price shall be posted which is below acquisition cost plus ten percent of acquisition cost.~~

~~—— (8) Wholesale prices on a "close-out" item shall be accepted by the board when the item to be discontinued has been listed on the state market for a period of at least six months, and upon the further condition that the distributor who posts such a "close-out" price shall not restock the item for a period of one year following the first effective date of such "close-out" price.~~

~~—— (9) If an existing written contract or memorandum of oral agreement between a domestic winery, certificate of approval holder, wine importer, or wine distributor and a distributor, as filed in accordance with WAC 314-24-200, is terminated by either party, and a new written contract or memorandum of oral agreement is made by such a supplier with another wine distributor in the affected trade area, the board, after receiving such new written contract or memorandum of oral agreement, and a corresponding wholesale price posting from the newly designated wine distributor, may put such filings into effect immediately: Provided, That prices and other conditions of any such filings which are in effect at the time of such termination shall not be changed prior to the next applicable filing period.))~~

(6) Distributor changes--

The following rule changes will go into effect on October 23, 2004.

(a) The following guidelines apply when a wine supplier makes a distributor change outside of the regular distributor appointment timelines outlined in subsection (2) of this rule:

(i) The supplier must notify the board in writing that he/she wishes to change his/her current distributor and appoint a new distributor to be effective immediately.

(ii) The new distributor must agree to take the currently posted prices of the old distributor until the new distributor is able to post his/her own prices during the next regular posting period.

(iii) If a wine supplier has a territory or brand agreement with a distributor and wants to change a distributor appointed to a certain brand(s) or territory(ies), the board may allow the new distributor to assume the prior distributor's price postings for the brand and/or territory in order to avoid disruption of the market.

(b) A wine supplier must notify the board if any of the contracts or agreements listed in this rule are revised or terminated by either party. The board may immediately authorize a price posting if a wine distributor assumes the wholesale price postings from the previously appointed distributor.

(c) Prices and other conditions of price postings in effect at the time of the distributor change may not be changed until subsequent filing are submitted to the board and become effective.

~~((10))~~ **(7) Price postings for new distributors**--When the board issues a new wine distributor(~~((s))~~) license (~~((is issued for the first time by the board))~~), the (~~((holder thereof))~~) licensee may file an initial price (~~((schedule))~~) posting and request that (~~((such))~~) the price posting be placed into effect immediately. The board may grant (~~((such))~~) this immediate approval(~~((, providing that such))~~) if the price posting is in compliance with this rule and with all other applicable (~~((regulatory requirements, and that contracts and memoranda are on file, in accordance with WAC 314-24-200))~~) laws and rules.

~~((11)) The board may reject any price posting or portion thereof which it deems to be in violation of this or any other regulation or which would tend to disrupt the orderly sale and distribution of wine. Whenever the board shall reject any posting the licensee submitting said posting may be heard by the board and shall have the burden of showing that the posting is not in violation of regulation and/or does not tend to disrupt the orderly sale and distribution of wine.~~

The following rule changes will go into effect on October 23, 2004.

~~Thereupon if said posting is accepted it shall become effective at a time fixed by the board. If said posting or portion thereof is rejected the last effective posting shall remain in effect until such time as an amended posting is filed and approved in accordance with the provisions of this regulation.~~

~~———— (12) Any wine distributor or employee authorized by his/her distributor-employer may sell wine at the distributor's posted prices to any authorized licensee upon presentation to such distributor or employee at the time of purchase of a special permit issued by the board to such licensee.~~

~~———— (a) Every authorized retail licensee, upon purchasing any wine from a distributor, shall immediately cause such wine to be delivered to his licensed premises, and he shall not thereafter permit such wine to be disposed of in any manner except as authorized by his license.~~

~~———— (b) Wine sold as provided herein shall be delivered by such distributor or his authorized employee either to such retailer's licensed premises or directly to such retailer at the distributor's licensed premises: Provided, however, That a distributor's prices to retail licensees shall be the same at both places of delivery.~~

~~———— (13) All price postings filed as required by this regulation shall at all times be open to inspection to all trade buyers within the state of Washington and shall not in any sense be considered confidential.))~~

(8) Accommodation sales--The provisions of this rule do not apply, and filings are not required, when a wine distributor makes an accommodation sale to another wine distributor and this sale is made at a selling price that does not exceed the laid-in cost of the wine being sold. Accommodation sales may only be made when the distributor purchasing the wine is an appointed distributor of the supplier, when the distributor is an authorized purchaser of the brand and product being sold, and when the supplying distributor is appointed by the supplier.

REPEALER

The following sections of the Washington Administrative Code are repealed:

The following rule changes will go into effect on October 23, 2004.

WAC 314-20-105 Beer suppliers' price filings, contracts and memoranda.

WAC 314-24-200 Wine suppliers' price filings, contracts and memoranda.

How rules would look when adopted (strikethrough and underlining removed)

WAC 314-20-100 Beer supplier and distributor price postings. RCW 66.28.180 requires beer distributors and suppliers to file price postings with the board.

(1) **Definitions**--For the purposes of this chapter:

(a) A "beer price posting" or "price posting" means a declaration of the price of beer sold from a supplier to a distributor or from a distributor to a retailer, in effect as filed with the liquor control board either electronically or hard-copy, under the provisions of RCW 66.28.180 and Title 314 WAC.

(b) A "beer supplier" means a microbrewery, domestic brewery, certificate of approval holder, beer importer, or a distributor selling beer to another distributor.

(2) **Filing deadlines.**

(a) Beer supplier filing deadlines	(b) Beer distributor filing deadlines
All price postings, distributor appointments, written contracts, and memoranda of oral agreements must be received by the board not later than the twenty-fifth day of the month, and if approved will become effective on the first day of the second calendar month following the date of filing.	All price postings must be received by the board not later than the tenth day of the month, and if approved will become effective on the first day of the calendar month following the date of filing.

(c) The board will allow up to an additional five days for revisions of filings to correct errors and omissions filed during the current price posting period. The board may in individual cases, for good cause shown, extend the filing date.

(d) When a price posting has been deposited in the United States mail addressed to the board, it will be considered filed or received on the date shown by the United States post office cancellation mark on the envelope, or on the date it was mailed if it is established to the satisfaction of the board that the actual mailing occurred on an earlier date.

(3) **Filing date exceptions**--Whenever a filing deadline falls on Saturday, Sunday, or a legal holiday, a price posting may be filed not later than midnight the next business day.

(4) **No changes from previous month**--If a beer supplier or distributor makes no changes in any items or prices listed in the last filed and approved price posting, the prices will remain in effect for each succeeding posting period until a revised price posting is filed and approved.

(5) **Temporary price reductions**--If a beer supplier or distributor files price postings that list selected items on which prices are temporarily reduced for one posting period only, these price postings must clearly reflect all items, the selling price, and the posting period for which the price reductions will be in effect. At the expiration of the posting period during which the reductions were in effect, the special price posting will become void and the last regularly filed and effective price posting will again become effective.

(6) **Distributor changes**--

(a) The following guidelines apply when a beer supplier makes a distributor change outside of the regular distributor appointment timelines outlined in subsection (2) of this rule:

(i) The supplier must notify the board in writing that he/she wishes to change his/her current distributor and appoint a new distributor to be effective immediately.

(ii) The new distributor must agree to take the currently posted prices of the old distributor until the new distributor is able to post his/her own prices during the next regular posting period.

(iii) If a beer supplier has a territory or brand agreement with a distributor and wants to change a distributor appointed to a certain brand(s) or territory(ies), the board may allow the new distributor to assume the prior distributor's price postings for the brand and/or territory in order to avoid disruption of the market.

The following rule changes will go into effect on October 23, 2004.

(b) A beer supplier must notify the board if any of the contracts or agreements listed in this rule are revised or terminated by either party. The board may immediately authorize a price posting if a beer distributor assumes the wholesale price postings from the previously appointed distributor.

(c) Prices and other conditions of price postings in effect at the time of the distributor change may not be changed until subsequent filings are submitted to the board and become effective.

(7) **Price postings for new distributors**--When the board issues a new beer distributor license, the licensee may file an initial price posting and request that the price posting be placed into effect immediately. The board may grant this immediate approval if the price posting is in compliance with this rule and with all other applicable laws and rules.

(8) **Accommodation sales**--The provisions of this rule do not apply, and filings are not required, when a beer distributor makes an accommodation sale to another beer distributor and this sale is made at a selling price that does not exceed the laid-in cost of the beer being sold. Accommodation sales may only be made when the distributor purchasing the beer is an appointed distributor of the supplier, when the distributor is an authorized purchaser of the brand and product being sold, and when the supplying distributor is appointed by the supplier.

WAC 314-24-190 Wine supplier and distributor price postings. RCW 66.28.180 requires wine distributors and suppliers to file price postings with the board.

(1) **Definitions**--For the purposes of this chapter:

(a) A "wine price posting" or "price posting" means a declaration of the price of wine sold from a supplier to a distributor or from a distributor to a retailer, in effect as filed with the liquor control board either electronically or hard-copy, under the provisions of RCW 66.28.180 and Title 314 WAC.

(b) A "wine supplier" means a domestic winery, certificate of approval holder, wine importer, or a distributor selling wine to another distributor.

(2) **Filing deadlines.**

(a) Wine supplier filing deadlines	(b) Wine distributor filing deadlines
All price postings, distributor appointments, written contracts, and memoranda of oral agreements must be received by the board not later than the twenty-fifth day of the month, and if approved will become effective on the first day of the second calendar month following the date of filing.	All price postings must be received by the board not later than the tenth day of the month, and if approved will become effective on the first day of the calendar month following the date of filing.

(c) The board will allow up to an additional five days for revisions of filings to correct errors and omissions filed during the current posting period. The board may in individual cases, for good cause shown, extend the filing date.

(d) When a price posting has been deposited in the United States mail addressed to the board, it will be considered filed or received on the date shown by the United States post office cancellation mark on the envelope, or on the date it was mailed if it is established to the satisfaction of the board that the actual mailing occurred on an earlier date.

(3) **Filing date exception**--Whenever a filing deadline falls on Saturday, Sunday, or a legal holiday, a price posting may be filed not later than the close of business the next business day.

(4) **No changes from previous month**--If a wine supplier or distributor makes no changes in any items or prices listed in the last filed and approved price posting, the prices will remain in effect for each succeeding posting period until a revised price posting is filed and approved.

(5) **Temporary price reductions**--If a wine supplier or distributor files price postings that list selected items on which prices are temporarily reduced for one posting period only, these price postings must clearly reflect all items, the selling price, and the posting period for which the price reductions will be in effect. At the expiration of the posting period during which the reductions were in effect, the special

The following rule changes will go into effect on October 23, 2004.

price posting will become void and the last regularly filed and effective price posting will again become effective.

(6) Distributor changes--

(a) The following guidelines apply when a wine supplier makes a distributor change outside of the regular distributor appointment timelines outlined in subsection (2) of this rule:

(i) The supplier must notify the board in writing that he/she wishes to change his/her current distributor and appoint a new distributor to be effective immediately.

(ii) The new distributor must agree to take the currently posted prices of the old distributor until the new distributor is able to post his/her own prices during the next regular posting period.

(iii) If a wine supplier has a territory or brand agreement with a distributor and wants to change a distributor appointed to a certain brand(s) or territory(ies), the board may allow the new distributor to assume the prior distributor's price postings for the brand and/or territory in order to avoid disruption of the market.

(b) A wine supplier must notify the board if any of the contracts or agreements listed in this rule are revised or terminated by either party. The board may immediately authorize a price posting if a wine distributor assumes the wholesale price postings from the previously appointed distributor.

(c) Prices and other conditions of price postings in effect at the time of the distributor change may not be changed until subsequent filing are submitted to the board and become effective.

(7) **Price postings for new distributors--**When the board issues a new wine distributor license, the licensee may file an initial price posting and request that the price posting be placed into effect immediately. The board may grant this immediate approval if the price posting is in compliance with this rule and with all other applicable laws and rules.

(9) **Accommodation sales**—The provisions of this rule do not apply, and filings are not required, when a wine distributor makes an accommodation sale to another wine distributor and this sale is made at a selling price that does not exceed the laid-in cost of the wine being sold. Accommodation sales may only be made when the distributor purchasing the wine is an appointed distributor of the supplier, when the distributor is an authorized purchaser of the brand and product being sold, and when the supplying distributor is appointed by the supplier.